

Conference Engrossed

State of Arizona
House of Representatives
Forty-sixth Legislature
Second Regular Session
2004

CHAPTER 297

HOUSE BILL 2466

AN ACT

AMENDING SECTION 28-2052, ARIZONA REVISED STATUTES; REPEALING SECTION 28-2160, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 13, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-5100; AMENDING SECTIONS 28-5101 AND 28-5102, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 13, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-5111; RELATING TO VEHICLE TITLES AND REGISTRATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 28-2052, Arizona Revised Statutes, is amended to
3 read:

4 28-2052. Title and registration of foreign vehicles

5 A. EXCEPT AS PROVIDED IN SUBSECTION E OF THIS SECTION, the owner of
6 a foreign vehicle that has been registered in another state or country and
7 for which an application for a certificate of title is made shall surrender
8 to the department the license plates assigned to the vehicle, the
9 registration card, the certificate of title, the certificate of ownership or
10 other evidence of foreign registration and satisfactory evidence of ownership
11 showing that the applicant is the lawful owner or possessor of the vehicle.

12 B. If in the course of interstate operation of a vehicle registered
13 in another state or country it is desirable to retain registration of the
14 vehicle in the other state or country, the applicant need not follow the
15 requirements of subsection A of this section but shall submit evidence of the
16 foreign registration and ownership for inspection. The department shall
17 register the vehicle on a proper showing of evidence of registration but
18 shall not issue a certificate of title for the vehicle.

19 C. The department shall inspect a foreign vehicle before titling or
20 registration, including examination and inspection to establish compliance
21 with section 28-955, under conditions and standards as required by the
22 director of environmental quality. THE DEPARTMENT MAY ESTABLISH PROCEDURES
23 TO ACCEPT VEHICLE INSPECTIONS COMPLETED IN ANOTHER STATE.

24 D. Before the department issues a certificate of title to a vehicle
25 imported into this country, the owner shall obtain a certificate of
26 compliance that states that the vehicle meets all federal vehicle equipment
27 and emissions equipment requirements. This subsection does not apply to a
28 golf cart manufactured or modified before June 17, 1998 or neighborhood
29 electric vehicle manufactured or modified before June 17, 1998.

30 E. THE DEPARTMENT MAY ESTABLISH PROCEDURES TO ACCEPT EVIDENCE THAT THE
31 CERTIFICATE OF TITLE OR CERTIFICATE OF OWNERSHIP HAS BEEN VOIDED OR DESTROYED
32 BY ANOTHER STATE.

33 Sec. 2. Repeal

34 Section 28-2160, Arizona Revised Statutes, is repealed.

35 Sec. 3. Title 28, chapter 13, article 1, Arizona Revised Statutes, is
36 amended by adding section 28-5100, to read:

37 28-5100. Definitions

38 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

39 1. "AUTHORIZED THIRD PARTY" MEANS AN ENTITY THAT HAS EXECUTED A
40 WRITTEN AGREEMENT AND IS AUTHORIZED BY THE DEPARTMENT TO PERFORM LIMITED OR
41 SPECIFIC FUNCTIONS BUT IS NOT AUTHORIZED BY THE DEPARTMENT TO FUNCTION AS AN
42 AUTHORIZED THIRD PARTY ELECTRONIC SERVICE PROVIDER.

43 2. "AUTHORIZED THIRD PARTY ELECTRONIC SERVICE PROVIDER" MEANS AN
44 ENTITY THAT HAS EXECUTED A WRITTEN AGREEMENT WITH THE DEPARTMENT AND IS
45 AUTHORIZED BY THE DEPARTMENT TO PROVIDE ELECTRONIC TRANSMISSION SERVICES

1 BETWEEN THE DEPARTMENT, PRIVATE CITIZENS, OTHER GOVERNMENT AGENCIES AND
2 PUBLIC AND PRIVATE ENTITIES IN THIS STATE OR IN ANY OTHER STATE, TERRITORY
3 OR COUNTRY.

4 Sec. 4. Section 28-5101, Arizona Revised Statutes, is amended to read:
5 28-5101. Third party authorization

6 A. The director may authorize third parties to perform certain title
7 and registration, motor carrier licensing and tax reporting, dealer licensing
8 and driver license functions.

9 B. THE DIRECTOR MAY AUTHORIZE A PERSON TO BE A THIRD PARTY ELECTRONIC
10 SERVICE PROVIDER. AN AUTHORIZED THIRD PARTY ELECTRONIC SERVICE PROVIDER
11 SHALL MEET ALL OF THE REQUIREMENTS ESTABLISHED BY THE DEPARTMENT RELATING TO
12 SECURITY, THE MINIMUM NUMBER OF TYPES OF TRANSACTIONS, PAYMENT OPTIONS AND
13 MULTIPLE SERVICE DELIVERY CHANNELS. BEFORE AUTHORIZATION BY THE DIRECTOR
14 PURSUANT TO THIS SUBSECTION, A PERSON SHALL SUBMIT A PLAN APPROVED BY THE
15 DIRECTOR FOR TRANSITION OF AN AUTHORIZED THIRD PARTY ELECTRONIC SERVICE
16 PROVIDER'S CUSTOMER SERVICE TRANSACTIONS TO THE DEPARTMENT FOR THE PURPOSES
17 OF CONTINUED OPERATION BY THE DEPARTMENT. THE DIRECTOR MAY REQUIRE UPDATES
18 OF THE PLAN AS DEEMED NECESSARY BY THE DIRECTOR. THE DIRECTOR SHALL NOT
19 CONTRACT WITH A THIRD PARTY ELECTRONIC SERVICE PROVIDER THAT EMPLOYS A
20 SUBCONTRACTOR OR ANY OTHER PERSON WHO RESIDES OR IS OTHERWISE LOCATED OUTSIDE
21 OF THE UNITED STATES IN ORDER TO PROVIDE ELECTRONIC TRANSMISSION SERVICES
22 PURSUANT TO A WRITTEN AGREEMENT WITH THE DEPARTMENT.

23 ~~B.~~ C. A person shall not engage in any business pursuant to this
24 article unless the director authorizes the person to engage in the business.

25 ~~C.~~ D. The director may furnish necessary documents or license plates
26 subject to this article.

27 ~~D.~~ E. Except as provided in subsection ~~E~~ F of this section, an
28 authorized third party OR AN AUTHORIZED THIRD PARTY ELECTRONIC SERVICE
29 PROVIDER shall submit to the department all statutorily prescribed fees and
30 taxes it collects. In addition to the statutorily prescribed fees and taxes,
31 an authorized third party OR AN AUTHORIZED THIRD PARTY ELECTRONIC SERVICE
32 PROVIDER may collect and retain a reasonable and commensurate fee for its
33 services.

34 ~~E.~~ F. In addition to payment pursuant to section 28-374, the
35 department shall reimburse the authorized third party OR THIRD PARTY
36 ELECTRONIC SERVICE PROVIDER as follows:

37 1. One dollar of each registration fee FOR A VEHICLE OR AN AIRCRAFT.

38 2. One dollar of each title fee FOR A VEHICLE OR AN AIRCRAFT.

39 3. An amount equal to two per cent of each vehicle license tax payment
40 the authorized third party collects and submits to the department or four
41 dollars for each registration year or part of a registration year, whichever
42 is more. The reimbursement amount shall not exceed the amount of vehicle
43 license tax collected.

1 4. Four dollars for each application that the third party processes
2 and that relates to driver licenses, nonoperating identification licenses or
3 permits.

4 5. An amount equal to two per cent of each overweight or excess size
5 vehicle registration or permit fee the third party collects and submits to
6 the department or one dollar for each overweight or excess size vehicle
7 registration or permit processed, whichever is more.

8 6. One dollar for each motor vehicle record, excluding motor vehicle
9 records released to commercial recipients, including insurers and their
10 authorized agents as defined in section 28-450.

11 7. Five dollars for each tax report filing.

12 8. ONE DOLLAR FOR EACH FUEL TAX PERMIT.

13 9. ONE DOLLAR FOR EACH NONSUFFICIENT FUNDS CHECK PAYMENT.

14 10. ONE DOLLAR FOR EACH ABANDONED VEHICLE REPORT.

15 11. ONE DOLLAR FOR EACH ABANDONED VEHICLE PAYMENT.

16 12. TWO DOLLARS FOR EACH SPECIAL LICENSE PLATE APPLICATION.

17 13. ONE DOLLAR FOR EACH VEHICLE DEALER LICENSE PLATE APPLICATION.

18 14. FIVE DOLLARS FOR EACH APPLICATION FOR AN INITIAL VEHICLE DEALER
19 LICENSE OR CONTINUATION OF A VEHICLE DEALER LICENSE.

20 15. ONE DOLLAR OF EACH TWELVE-DOLLAR FEE PAID PURSUANT TO SECTION
21 28-2356.

22 F. G. Each authorized third party that holds itself out as providing
23 services to the general public shall post a sign in a conspicuous location
24 in each facility of the authorized third party that contains the amount
25 charged for each transaction performed by the authorized third party and the
26 amount charged by the department for the same transaction.

27 Sec. 5. Section 28-5102, Arizona Revised Statutes, is amended to read:
28 28-5102. Powers and duties of director

29 A. The director shall supervise and regulate all persons required by
30 this article to obtain authorization.

31 B. The director may:

32 1. Conduct investigations the director deems necessary.

33 2. Conduct audits.

34 3. Make on-site inspections during regular business hours and at
35 locations as the director deems appropriate to determine compliance by an
36 authorized third party with this article. If an inspection is conducted at
37 a place located outside this state, the director may charge a fee to the
38 authorized third party.

39 4. Require that an authorized third party or employees or agents of
40 an authorized third party be certified to perform the functions prescribed
41 in this article.

42 5. REQUIRE AUTHORIZED THIRD PARTIES AND AUTHORIZED THIRD PARTY
43 ELECTRONIC SERVICE PROVIDERS TO REIMBURSE THE DEPARTMENT FOR MUTUALLY AGREED
44 ON COSTS.

1 Sec. 6. Title 28, chapter 13, article 1, Arizona Revised Statutes, is
2 amended by adding section 28-5111, to read:

3 28-5111. Electronic transmission and recording of title,
4 registration and driver license; pilot program;
5 authorized third party

6 A. THE DIRECTOR MAY ESTABLISH A PILOT PROGRAM TO MEASURE AND DETERMINE
7 THE EFFECTIVENESS OF THE FOLLOWING IN IMPROVING CUSTOMER SERVICE, OPERATIONS,
8 CAPITAL COST REDUCTIONS AND SECURITY OF INFORMATION TRANSMITTED TO THE
9 DEPARTMENT:

10 1. THE ELECTRONIC TRANSMISSION AND RECORDING OF VEHICLE TITLE AND
11 REGISTRATION INFORMATION BETWEEN THE DEPARTMENT AND AN AUTHORIZED THIRD PARTY
12 OR AN AUTHORIZED THIRD PARTY ELECTRONIC SERVICE PROVIDER FOR THE PURPOSE OF
13 TITLING AND REGISTERING VEHICLES ENTERING THIS STATE FROM ANOTHER
14 JURISDICTION IN A COST EFFECTIVE MANNER IN LIEU OF THE SUBMISSION AND
15 MAINTENANCE OF PAPER DOCUMENTS.

16 2. THE ELECTRONIC TRANSMISSION AND RECORDING OF DRIVER LICENSE
17 APPLICATIONS BETWEEN THE DEPARTMENT AND ANOTHER STATE THROUGH AN AUTHORIZED
18 THIRD PARTY OR AUTHORIZED THIRD PARTY ELECTRONIC SERVICE PROVIDER FOR THE
19 PURPOSE OF ISSUING DRIVER LICENSES IN A COST EFFECTIVE MANNER IN LIEU OF THE
20 SUBMISSION AND MAINTENANCE OF PAPER DOCUMENTS AS PROVIDED IN THIS CHAPTER.

21 3. THE ELECTRONIC TRANSMISSION AND RECORDING OF VEHICLE ACCIDENT DATA
22 BETWEEN THE DEPARTMENT, OTHER STATES AND LAW ENFORCEMENT AGENCIES WITHIN THIS
23 STATE OR WITHIN ANOTHER STATE THROUGH AN AUTHORIZED THIRD PARTY OR AUTHORIZED
24 THIRD PARTY ELECTRONIC SERVICE PROVIDER.

25 B. IN THE PROCESS OF ESTABLISHING THE SYSTEM, THE DIRECTOR SHALL:

26 1. RESEARCH METHODS THE DEPARTMENT AND AUTHORIZED THIRD PARTIES OR
27 AUTHORIZED THIRD PARTY ELECTRONIC SERVICE PROVIDERS MAY USE TO EXCHANGE AND
28 MAINTAIN INFORMATION RELATING TO DRIVER LICENSES AND VEHICLE TITLE AND
29 REGISTRATION WITHOUT SUBMITTING OR RECEIVING A PAPER DOCUMENT.

30 2. DEVELOP METHODS AN AUTHORIZED THIRD PARTY OR AN AUTHORIZED THIRD
31 PARTY ELECTRONIC SERVICE PROVIDER MAY USE TO ELECTRONICALLY SUBMIT UPDATED
32 INFORMATION RELATING TO THE TITLE AND REGISTRATION RECORD OR THE DRIVER
33 LICENSE RECORD.

34 C. THE DIRECTOR MAY LIMIT THE NUMBER OF OTHER STATES AND AUTHORIZED
35 THIRD PARTY ELECTRONIC SERVICE PROVIDERS PARTICIPATING IN THE SYSTEM. AFTER
36 THE SYSTEM HAS BEEN OPERATING FOR TWELVE MONTHS, IF THE DIRECTOR DETERMINES
37 THE SYSTEM IS SUCCESSFUL, THE DIRECTOR MAY EXPAND THE SYSTEM.

38 D. CHAPTER 2, ARTICLE 5 OF THIS TITLE APPLIES TO CERTIFICATES OF TITLE
39 AND DRIVER LICENSE INFORMATION UNDER THE SYSTEM ESTABLISHED PURSUANT TO THIS
40 SECTION.

APPROVED BY THE GOVERNOR JUNE 1, 2004.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 1, 2004.

Passed the House March 10, 2004

Passed the Senate April 13, 2004

by the following vote: 59 Ayes,

by the following vote: 30 Ayes,

1 Nays, 0 Not Voting

0 Nays, 0 Not Voting

Jake Flake
Speaker of the House

Ken Bennett
President of the Senate

Gorman L. Moore
Chief Clerk of the House

Charmian Bellington
Secretary of the Senate

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR**

This Bill was received by the Governor this

 day of , 20 ,

at o'clock M.

Secretary to the Governor

Approved this day of

 , 20 ,

at o'clock M.

Governor of Arizona

H.B. 2466

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE**

This Bill was received by the Secretary of State

this day of , 20 ,

at o'clock M.

Secretary of State

HOUSE FINAL PASSAGE
as per Joint Conference

Passed the House May 25, 2004,

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting

Jake Flake
Speaker of the House

Speman L. Moore
Chief Clerk of the House

SENATE FINAL PASSAGE
as per Joint Conference

Passed the Senate May 26, 2004,

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

Klu Bennett
President of the Senate

Chaimin B. Winston
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor

this 26th day of May, 2004

at 3:24 o'clock P, M.

Jennifer Ybarra
Secretary to the Governor

Approved this 1 day of

Jun, 2004,

at 3:10 o'clock P, M.

Jr. Nizkor
Governor of Arizona

H.B. 2466

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 1 day of June, 2004,

at 4:38 o'clock P, M.

Janice K. Brewer
Secretary of State

HOUSE FINAL PASSAGE
as per Joint Conference

Passed the House May 25, 2004,

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting

Jake Flake
Speaker of the House

Speman L. Moore
Chief Clerk of the House

SENATE FINAL PASSAGE
as per Joint Conference

Passed the Senate May 26, 2004,

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

Klu Bennett
President of the Senate

Charmain B. Livingston
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor

this 26th day of May, 2004

at 3:24 o'clock P. M.

Jennifer Ybarra
Secretary to the Governor

Approved this 1 day of

Jun, 2004,

at 3:40 o'clock P. M.

Jr. Nizkor
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 1 day of June, 2004,

at 4:38 o'clock P. M.

Janice K. Brewer
Secretary of State

H.B. 2466